

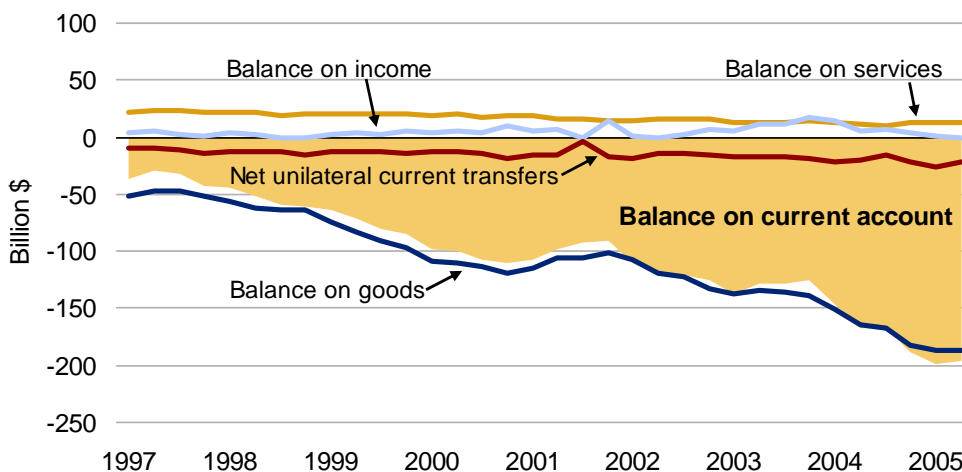
U.S. CURRENT-ACCOUNT DEFICIT DECREASES IN SECOND QUARTER 2005

Preliminary estimates of U.S. international transactions

The U.S. current-account deficit, the broadest measure of U.S. international trade in goods and services, receipts and payments of income, and net unilateral current transfers (such as gifts), decreased to \$195.7 billion (preliminary) in the second quarter of 2005 from \$198.7 billion (revised) in the first quarter. As a share of U.S. GDP, the deficit decreased to 6.3 percent in the second quarter from 6.5 percent in the first.

Current-Account Balance and Its Components

[Seasonally adjusted]



- The deficit on goods increased to \$186.9 billion from \$186.3 billion, as goods imports increased more than goods exports.
- The surplus on services increased to \$13.6 billion from \$13.3 billion, as services receipts increased more than services payments.
- The balance on income shifted to a deficit of \$0.5 billion from a surplus of \$0.6 billion, as income payments increased more than income receipts.
- Net unilateral current transfers were net outflows of \$21.9 billion, down from \$26.3 billion.

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$142.3 billion in the second quarter, down from \$161.9 billion in the first.

- U.S.-owned assets abroad increased \$250.8 billion in the second quarter after they had increased \$81.5 billion in the first.
- Foreign-owned assets in the United States increased \$393.1 billion in the second quarter after they had increased \$243.5 billion in the first.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: www.bea.gov.

NOTE: The next release of U.S. international transactions will be on December 16, 2005.